



CITY OF DURHAM | NORTH CAROLINA

Date: October 16, 2014

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Reginald J. Johnson, Director
Department of Community Development

Subject: Neighborhood Stabilization Program 3 (NSP3) Grant Project Ordinance

Executive Summary

The Department of Community Development received notification from the North Carolina Department of Commerce of an additional \$125,298.00 award for the Neighborhood Stabilization Program 3 (NSP3) Grant, bringing the total award up to \$1,625,298.00. These additional funds were awarded to the City of Durham because another community was not able to spend them in a timely manner, and the City has an excellent track record with using NSP funds. These funds are available to use for Phase I Site Preparation and Infrastructure improvements in the Southside Revitalization effort.

Recommendation

The Department of Community Development recommends the City Council adopt the FY 2011-2012 North Carolina Department of Commerce Neighborhood Stabilization Program 3 GPO Superseding GPO #14522 for the purpose of recognizing the additional \$125,298.00 grant amount awarded to the City of Durham for a total award amount of \$1,625,298.00.

Background

On June 8, 2011, the City of Durham received an appropriation from the North Carolina Department of Commerce under the Housing and Economic Recovery Act (HERA) of 2008 in the amount of \$950,000.00 and on October 4, 2013 the City of Durham received notification of an additional \$550,000.00 grant award for a total award amount of \$1,500,000.00. The 2nd additional grant award of \$125,298.00 will increase the total award amount to \$1,625,298.00. The primary focus of the NSP3 program is the preservation or creation of affordable housing as a tool to promote neighborhood stabilization. Under Public Facilities per the NSP3 guidelines, the funding can be used for site preparation and infrastructure improvements in support of affordable housing.

Issues/Analysis

The additional \$125,298.00 NSP3 grant award will fund Phase I Site Preparation and Infrastructure improvements to support the development of 48 lots for homeownership as part of the Southside Revitalization effort.

Alternatives

Failure to adopt the NSP3 GPO will make the City ineligible to expend the funds for the intended purpose set forth in the grant.

Financial Impacts

The additional NSP3 award will allow CDBG fund dollars proposed for current site preparation and infrastructure costs to be reallocated in order to defray site preparation and infrastructure costs of Southside Revitalization Project's next phases.

SDBE Summary

Not applicable.